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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS**DOCKETED**

ROBERT "BOB" BURNS - Chairman
 ANDY TOBIN
 BOYD DUNN
 SANDRA D. KENNEDY
 JUSTIN OLSON

FEB 7 2019

~~DOCKETED BY~~

In the matter of

DOCKET NO. S-21018A-17-0232

Real Estate Finance Corporation, an Arizona
 corporation,

DECISION NO. 77069

WIN Opportunity Fund, LLC, an Arizona
 limited liability company,

**ORDER TO CEASE AND DESIST, ORDER
 FOR RESTITUTION, ORDER FOR
 ADMINISTRATIVE PENALTIES, AND
 CONSENT TO SAME**

WIN Management, LLC, an Arizona limited
 liability company, and

Adam W. Child and Erin M. Child, husband
 and wife,

**BY: RESPONDENTS REAL ESTATE
 FINANCE CORPORATION, WIN
 OPPORTUNITY FUND, LLC, ADAM W.
 CHILD AND ERIN M. CHILD**

Respondents.

**ORDER TO DISMISS WITHOUT
 PREJUDICE
 RE: RESPONDENT WIN MANAGEMENT,
 LLC**

Respondents Real Estate Finance Corporation, WIN Opportunity Fund, LLC, and Adam W Child (collectively, "Respondents"), and Erin M. Child ("Respondent Spouse"), elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Consent to Same ("Order"). Respondents and Respondent Spouse admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit only for purposes of this proceeding and any other proceeding in which the Commission is a party the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.**FINDINGS OF FACT**

1. Real Estate Finance Corporation ("REFCORP") was formed in Arizona on April 25, 2008. The original Articles of Organization filed with the Commission's Corporations Division list Adam Child as the sole director, the President/Secretary, and as the incorporator. On October 23, 2009, the Corporations Division administratively dissolved REFCORP for failing to file its annual report. After several years of not filing annual reports with the Commission, on March 19 and 20, 2015, REFCORP filed annual reports for 2009 – 2015. On April 13, 2015, the Corporations Division reinstated REFCORP. In its most recent Annual Report, filed on April 23, 2017, Child is listed as a REFCORP director and as REFCORP's president.

2. WIN Opportunity Fund, LLC was formed on April 28, 2016. It is a member-managed company with WIN Management, LLC as the only listed member. Child is listed as the organizer and signed the Articles of Organization that were filed with the Corporations Division.

3. WIN Management, LLC was formed on April 28, 2016. It is a member-managed company with Adam Child as one of two listed members. Child is listed as the organizer and signed the Articles of Organization that were filed with the Corporations Division.

4. Respondent Spouse has been at all relevant times the spouse of Adam Child. Respondent Spouse is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital communities.

5. At all relevant times, Respondent Adam Child has been acting for his own benefit and for the benefit or in furtherance of his marital community.

6. REFCORP engages in three forms of transactions related to hard-money lending, i.e. making shorter-term loans, usually less than two years, to builders and contractors at interest rates that are relatively higher than those offered by banks or credit unions.

7. The first two types of transactions consist of transactions where (i) REFCORP offers an investment opportunity in notes but does not issue the note to the investor (described in more

1 detail in paragraphs 9 – 10) and (ii) REFCORP facilitates the loan and is the issuer of the note
2 (described in more detail in paragraph 11). REFCORP also offers a pooled investment in WIN
3 Opportunity Fund where the fund issued the note (described in more detail in paragraphs 12 – 15).

4 8. In total from October 2015, through June 2017, Child and REFCORP offered or sold
5 72 notes to 25 investors, for a total principal amount of approximately \$10,872,900.

6 9. Twenty-four of the notes were sold by a process where REFCORP offered the
7 investment opportunities in notes to interested borrowers. The notes were sold by REFCORP and
8 issued by the lender. These notes were secured by a first or second position lien on the underlying
9 property. REFCORP assisted with drawing up paperwork for the loans, facilitating the transactions,
10 and tracking them to completion. REFCORP collected a fee for its services in these transactions.

11 10. The principal amount of those 24 notes is \$4,665,300. At least one of these notes,
12 with a principal amount of \$197,500, has been paid in full.

13 11. For the remaining 48 notes, REFCORP sold and issued the note. Payments on these
14 notes have occurred as follows:

15 • Borrowers have paid the full principal on 35 of these notes, approximately
16 \$4,555,600 total, along with interest payments.

17 • The total principal amount of the 13 remaining, REFCORP-issued notes is
18 \$1,652,000. Borrowers have paid interest and principal on these 13 notes totaling
19 approximately \$193,670.02.

20 12. In addition to the notes issued by REFCORP and third parties described in the
21 preceding paragraphs, Child and REFCORP offered and sold notes issued by WIN Opportunity
22 Fund, a pooled investment. This investment would provide a 10% rate of return.

23 13. In its offering materials, WIN Opportunity Fund states that REFCORP is its manager
24 and that REFCORP will “originate, issue and finance the loans that [WIN] will provide to borrowers
25 to purchase (i) real property – single family and small commercial, (ii) Bank Owned (REO)
26 properties (that is, available for sale from inventory) and (iii) properties available through a Short

1 Sale[.]” WIN will also make second-position loans on properties where REFCORP has the first
2 position loan. It further states that WIN Opportunity Fund “proposes to finance its acquisition of
3 these loans or real estate investments through the sale of Series A 10% Notes.”

4 14. From October 2015, through June 2017, Child, REFCORP, and WIN Opportunity
5 Fund offered to sell notes in WIN Opportunity Fund. From August 2016, through June 2017, Child,
6 REFCORP, and WIN Opportunity Fund sold 42 notes to 33 persons for a total of \$2,621,974.99.
7 Seven note purchasers received a return of their entire principal, a total of \$268,000. The remaining
8 investors have received interest and principal payments totaling \$183,738.95.

9 15. REFCORP and WIN Opportunity Fund find note purchasers and offerees by cold-
10 calling potential investors, hosting seminars for potential investors, maintaining a Facebook page,
11 and by contacting persons who have invested in Titan Capital Holdings. REFCORP has at least one
12 staff member whose job consists of cold-calling potential investors from a list of contacts provided
13 by a marketing service. Through these means, Child, REFCORP, and WIN Opportunity Fund
14 offered to sell the above-described investments to several people.

15 16. Approximately 90 people attended an April 2017 seminar. During this seminar, Child
16 described REFCORP’s business model (i.e. funding hard-money real estate loans) and the
17 investment opportunity in REFCORP. Child told attendees that if they invested with REFCORP,
18 they would receive a 10% return on their investment, stated that the price of the investment was a
19 minimum of \$10,000, and told attendees that the term of the investment was one year. Child told
20 attendees that they could use their IRA accounts to fund the investment.

21 17. At the April seminar, Child and REFCORP provided attendees with a handout that
22 contained a short description of Child’s business history. The handout describes Child as the
23 President/CEO of REFCO. It states that Child has been a “Real Estate Lender and investor in Arizona
24 since 1989 and is a Licensed Mortgage Broker and a licensed Mortgage Loan Originator in Arizona.”
25 It also states that Child has “underwritten and funded more than 500 Private Money loans in recent
26

1 years and has maintained a default rate of less than 1%, which is much lower than the industry
2 average.”

3 18. In May 2017, Child and REFCORP conducted an investor seminar in Scottsdale,
4 Arizona for a group consisting of approximately 12 people who were interested in investing in
5 REFCORP and its related entities. Child told attendees that if they invested with REFCORP, they
6 would receive a 10% return on their investment, stated that the price of the investment was a
7 minimum of \$10,000, and told attendees that the term of the investment was one year. At this
8 seminar, Child introduced himself as the president of REFCORP. He told attendees that he had been
9 a mortgage broker/banker in the Phoenix valley since 1989 and that he had been providing financing
10 for “fix and flips” and “re-designs” since at least 2008. Child stated that his 28-year background in
11 lending helps him differentiate borrowers that REFCORP lends to. Child stated that this company,
12 REFCORP, was formed in 2008 specifically for the purpose of doing hard money bridge loans to
13 real estate developers.

14 19. Respondents omitted material information that would allow investors to evaluate
15 Respondent’s claims of Child’s past success, the claims of Respondents’ ability to generate 10%
16 secured returns, and Child’s ability to manage a company that would generate these returns. These
17 omissions include:

18 a) Foxboro Ranch Estates. Foxboro Ranch Estates, LLC was the owner and
19 developer of a 57-lot subdivision in Coconino County. Child owned an entity, High Country
20 Investors, that purchased two lots from Foxboro for \$534,000 and \$494,000 respectively. High
21 Country assigned its rights under the contract to Child, who, together with his then-wife, Darcy
22 Child, personally guaranteed all obligations to Foxboro (in the bankruptcy adversary proceeding
23 described below, the bankruptcy court found that Darcy Child’s signatures on the guarantees were
24 forged). Under the terms of the sale, Child was to pay \$25,000 for each lot at the close of escrow.
25 After the close of escrow, Child’s duties under the terms of the sale included setting up a servicing
26 account for all construction draws, provide Foxboro with all construction draw requests prior to the

1 payment of any construction draws, finish construction of homes on the lots within 12 months. The
2 remainder of the sale price would be paid upon completion of the homes or refinancing. Escrow
3 closed on July 25, 2006. As described in the Coconino Superior Court's factual findings, Child failed
4 to pay subcontractors and vendors or gave the vendors checks that bounced, submitted construction
5 draw requests as if he had paid the subcontractors and vendors, then kept the entirety of the draw
6 when it was paid to him. The court cited four examples of this that occurred in November and
7 December 2006. The court also found that in January 2007, Child submitted draw requests where he
8 not only failed to get Foxboro's review and approval, he would also "cut and paste" Foxboro's
9 signature on construction draw requests. Child would also submit as part of each draw requests
10 invoices for payment of the general contractor's services building the homes on the lots. Upon
11 payment of this invoice, Child would keep half for himself. The court found that these activities
12 continues for several months and facilitated cost overruns on the homes. Additionally, Child did not
13 finish construction of the homes, which was to be completed by July 25, 2007. In August 2007,
14 Foxboro sued Child for breach of contract, common law fraud, racketeering, negligent
15 misrepresentation and fraudulent transfer. On June 8, 2009, the Coconino County Superior Court
16 entered judgment against Child for \$2,957,227 which includes \$1,956,000 treble damages for breach
17 of contract, fraud and racketeering.

18 b) Adam Child Personal Bankruptcy. By 2008, the Arizona economy was
19 experiencing a financial downturn causing property values to decrease. After this, and one month
20 after Coconino County entered the judgment against Child described in the preceding paragraph, in
21 July 2009, Child filed for bankruptcy protection. In his bankruptcy, Child sought to discharge
22 \$2,800,004 of unsecured claims which included \$263,945 of credit card debt, several deficiencies
23 on foreclosed properties totaling over \$405,000, unpaid office rent, unpaid HOA fees, a \$40,000
24 deficiency on an automobile lease, and a \$570,000 personal loan. Child's bankruptcy schedules also
25 list \$130,000 of unpaid taxes and \$60,000 of unpaid child and spousal support. In addition to these
26 debts, Child sought to discharge the judgment described above. Foxboro initiated an adversary

1 proceeding to contest this discharge in which Foxboro alleged that Child had committed breach of
2 contract, fraud, racketeering, negligent misrepresentation, false pretenses, embezzlement or larceny,
3 and willful and malicious injury. On August 12, 2015, the bankruptcy court held that the Foxboro
4 judgment was nondischargeable because Child "procured his entire debt to [Foxboro] through false
5 representations and actual fraud."

6 c) Child Mortgage Corporation. Child was the sole owner of Child Mortgage
7 Corporation ("CMC") and served as its president from August 1997 through December 2008.
8 Between 2004 and 2008, the Arizona Department of Financial Institutions ("AZDFI") received nine
9 complaints against CMC regarding CMC's business conduct including delinquent payments to
10 appraisers. The Complaints concerned seven unpaid invoices from appraisers and two loan files. On
11 December 3, 2008, AZDFI entered a consent order against CMS. The order found that Child and
12 CMC did not conduct business in compliance with Arizona law, were insolvent, made false and
13 misleading statements to AZDFI, failed to maintain a surety bond, and failed to provide
14 documentation to AZDFI during its investigation. This conduct violated A.R.S. § 6-909(G), failing
15 to maintain a surety bond; (L) making a false promise or misrepresentation or conceal an essential
16 or material fact in the course of the mortgage broker business; (M) failure to truthfully account for
17 the monies belonging to a party to a mortgage loan transaction or failure to disburse monies in
18 accordance with his agreements; and (N) engaging in illegal or improper business practices. AZDFI
19 revoked CMC's mortgage broker license (Child's loan originator licensure had ceased in September
20 2008) and ordered CMC to pay restitution of \$2,705. Child consented to the order and agreed to
21 cease from engaging in conduct violating Arizona law. On October 22, 2013, Child again became
22 licensed in Arizona as a mortgage loan originator. REFCORP has been licensed with AZDFI as a
23 mortgage broker since July 7, 2016.

24 d) Titan Capital Holdings. From January 2011 through October 2015, Child was
25 hired as the president of Titan Capital Holdings, LLC ("TCH") to raise capital and underwrite and
26 fund short-term real estate transactions. TCH wholly owned two entities, Titan Funding Group I and

1 Titan Funding Group II. In their private placement memorandums, these Titan entities described
2 Child's duties as TCH's president saying that Child was "responsible for managing its day-to-day
3 operations, including recommendations and decisions on loan applications and setting lending
4 standards." The Titan businesses were co-managed by Roderick R. Rickert, the manager of TCH,
5 Titan Capital Management, LLC (manager of the two funding groups), and several affiliates of these
6 entities. Rickert had authority over all of the Titan entities' bank accounts and capital. Titan's
7 business model consisted of using investor funds to make loans that would finance the purchase and
8 rehab of residential properties. Titan ceased operating in October 2015, and was put in receivership
9 so its remaining assets could be managed and distributed to investors, most of whom have received
10 either no return or only a partial return on their investment.

11 II.

12 CONCLUSIONS OF LAW

13 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
14 Arizona Constitution and the Securities Act.

15 2. Respondents offered or sold securities in REFCORP and WIN Opportunity Fund
16 within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-
17 1801(26).

18 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities in WIN
19 Opportunity Fund that were neither registered nor exempt from registration.

20 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities in WIN
21 Opportunity Fund while neither registered as a dealer or salesman nor exempt from registration.

22 5. Respondents violated A.R.S. § 44-1991 by making untrue statements or misleading
23 omissions of material facts to REFCORP and WIN Opportunity Fund investors, including:

24 a. Making representations to investors and offerees implying that Child had been
25 managing REFCORP since its formation while failing to disclose that from 2011 to 2015, Child
26

1 was the president of, and principally employed by, Titan Capital Holdings, LLC, a company
2 that was put into receivership.

3 b. Failing to disclose that Child lost a civil suit in which the Coconino County Superior
4 Court in Flagstaff, Arizona, found Child had committed fraud and racketeering and ordered
5 Child to pay over \$2.9 million, \$1.9 million of which was treble damages.

6 c. Failing to disclose that Child filed for personal bankruptcy in 2009 and sought to
7 discharge the \$2.9 million judgment described in the preceding sub-paragraph; the bankruptcy
8 court did not allow the discharge of this judgment.

9 d. Failing to disclose that one of Child's previous mortgage-lending companies, Child
10 Mortgage Company, had its licensed revoked because it violated A.R.S. § 6-909(L), (M) and
11 (N), which include making false and misleading statement sand engaging in illegal or improper
12 practices.

13 6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-
14 2032.

15 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
16 2032.

17 8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-2036.

18 9. Adam Child acted for the benefit of the marital community and, pursuant to A.R.S.
19 §§ 25-214 and 25-215, this order of restitution and administrative penalties is a debt of the
20 community.

21 10. Adam Child was the controlling person of the entity Respondents within the meaning
22 of A.R.S. § 44-1999. Therefore, Child is jointly and severally liable under A.R.S. § 44-1999 to the
23 same extent as these three entities for their violations of A.R.S. § 44-1991.

III.**ORDER**

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents and Respondent Spouse's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of Respondents' agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED that, as a result of the conduct set forth in the Findings of Fact and Conclusions of Law, pursuant to A.R.S. § 44-2032, that Respondents shall pay restitution as described below. The restitution ordered is subject to the offsets described in Commission Rule R14-4-308, namely, payments of principal and interest to investors. Nothing in this Order changes or modifies any of Respondents' liability or obligation to continue to pay REFCORP and WIN Opportunity Fund investors according to the terms of the notes sold to the investors. If such payments occur as anticipated, Respondents may submit evidence of such payments to substantiate the payments. The Securities Division, in its sole discretion, will determine whether the submitted evidence establishes payment. If the payments are established, the Securities Division will apply such payments as offsets to the following order of restitution:

- REFCORP and Adam Child and Respondent Spouse's marital community shall jointly and severally pay restitution to the Commission in the principal amount of \$1,458,329.98. This amount reflects the principal balance of the 13, active notes that REFCORP offered, sold and issued to investors, minus the \$193,670.02 of payments to these investors. The restitution ordered in this paragraph is due on October 1, 2019.

- 1 • WIN Opportunity Fund, REFCORP, and Adam Child and Respondent Spouse's
2 marital community shall jointly and severally pay restitution to the Commission in the amount
3 of \$2,170,236.04. This amount represents the amount of outstanding principal invested in
4 WIN Opportunity Fund, minus the principal and interest paid on those investments. The
5 restitution ordered in this paragraph is due October 1, 2019.

6 IT IS FURTHER ORDERED that if the restitution payments ordered in the preceding
7 paragraphs are not made or offset by the dates they are due, the restitution will accrue interest as of
8 the date the restitution payment is due, at the rate of 10% per annum.

9 If the restitution payments ordered in the preceding paragraphs are not offset by the dates they
10 are due, payment shall be made to the "State of Arizona" to be placed in an interest-bearing account
11 controlled by the Commission. The Commission shall disburse the funds on a pro-rata basis to
12 investors shown on the records of the Commission. Any restitution funds that the Commission cannot
13 disburse to an investor because the investor is deceased or an entity which invested is dissolved, shall
14 be disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission.
15 Any remaining funds that the Commission determines it is unable to or cannot feasibly disburse shall
16 be transferred to the general fund of the state of Arizona.

17 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents and the marital
18 community of Respondent Adam Child and Respondent Spouse shall jointly and severally pay an
19 administrative penalty in the amount of \$40,000 as a result of the conduct set forth in the Findings of
20 Fact and Conclusions of Law. Payment shall be made in two payments with \$20,000 due on the date
21 of this Order and the second payment due by April 15, 2019. Payment shall be made to the "State of
22 Arizona." Any amount outstanding after its due date shall accrue interest as allowed by law.

23 IT IS FURTHER ORDERED that, after October 1, 2019, the date the restitution payment is
24 due, payments received by the state of Arizona shall first be applied to the restitution obligation; then
25 upon payment in full of the restitution obligation, payments shall be applied to the penalty obligation.
26

For purposes of this Order, a bankruptcy filing by any Respondent shall be an act of default. If any Respondent does not comply with this Order, any outstanding balance may be deemed in default and shall be immediately due and payable.

IT IS FURTHER ORDERED, that if a Respondent or Respondent Spouse fails to comply with this order, the Commission may bring further legal proceedings against that Respondent or Respondent Spouse, including application to the superior court for an order of contempt.

IT IS FURTHER ORDERED that WIN Management, LLC be dismissed from this action without prejudice, with each side to bear their own attorneys' fees and costs.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

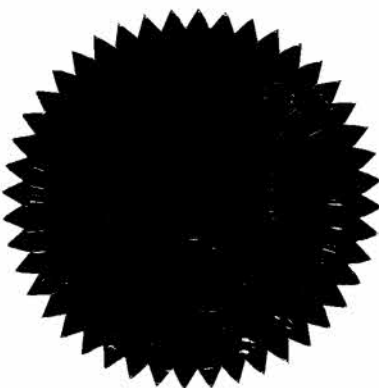

CHAIRMAN BURNS


COMMISSIONER DUNN

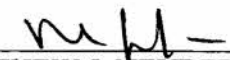

COMMISSIONER TOBIN


COMMISSIONER KENNEDY


COMMISSIONER OLSON



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 7 day of February, 2019.


MATTHEW J. NEUBERT
EXECUTIVE DIRECTOR

DISSENT

1 DISSENT

2 This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator,
3 voice phone number (602) 542-3931, e-mail kcannon@azcc.gov.
4 (RJM)
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CONSENT TO ENTRY OF ORDER

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2 1. Respondents and Respondent Spouse admit the jurisdiction of the Commission over
3 the subject matter of this proceeding. Respondents and Respondent Spouse acknowledge that they
4 have been fully advised of their right to a hearing to present evidence and call witnesses and
5 Respondents and Respondent Spouse knowingly and voluntarily waive any and all rights to a hearing
6 before the Commission and all other rights otherwise available under Article 11 of the Securities Act
7 and Title 14 of the Arizona Administrative Code. Respondents acknowledge that this Order
8 constitutes a valid final order of the Commission.

9 2. Respondents and Respondent Spouse knowingly and voluntarily waive any right
10 under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
11 extraordinary relief resulting from the entry of this Order.

12 3. Respondents and Respondent Spouse acknowledge and agree that this Order is entered
13 into freely and voluntarily and that no promise was made or coercion used to induce such entry.

14 4. Respondents and Respondent Spouse have been represented by **Anne Chapman of**
15 **the law firm Mitchell Stein Carey Chapman** in this matter. Respondents and Respondent Spouse
16 have reviewed this order with their attorney, understand all terms it contains, acknowledge that their
17 attorney has apprised them of their rights regarding any conflicts of interest arising from dual
18 representation. Respondents and Respondent Spouse acknowledge that they have each given their
19 informed consent to such representation.

20 5. Respondents and Respondent Spouse admit only for purposes of this proceeding and
21 any other proceeding in which the Commission is a party the Findings of Fact and Conclusions of
22 Law contained in this Order. Respondents and Respondent Spouse agree that they shall not contest
23 the validity of the Findings of Fact and Conclusions of Law contained in this Order in any present or
24 future proceeding in which the Commission is a party.

25 5. Respondents and Respondent Spouse further agree that they shall not deny or contest
26 the Findings of Fact and Conclusions of Law contained in this Order in any present or future: (a)

bankruptcy proceeding, or (b) non-criminal proceeding in which the Commission is a party (collectively, "proceeding(s)"). They further agree that in any such proceedings, the Findings of Fact and Conclusions of Law contained in this Order may be taken as true and correct and that this Order shall collaterally estop them from re-litigating with the Commission or any other state agency, in any forum, the accuracy of the Findings of Fact and Conclusions of Law contained in this Order. In the event a Respondent or Respondent Spouse pursues bankruptcy protection in the future, they further agree that in such bankruptcy proceeding, pursuant to 11 U.S.C. § 523(a)(19), the following circumstances exist:

A. The obligations incurred as a result of this Order are a result of the conduct set forth in the Findings of Fact and Conclusions of Law in the Order and are for the violation of Arizona state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

B. This Order constitutes a judgment, order, consent order, or decree entered in a state proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by Respondents and Respondent Spouse pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a court order for damages, fine, penalty, citation, restitution payment, disgorgement payment, attorney fee, cost or other payment owed by Respondents and Respondent Adam Child's marital community pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

6. By consenting to the entry of this Order, Respondents and Respondent Spouse agree not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual basis.

7. While this Order settles this administrative matter between Respondents and the Commission, Respondents and Respondent Spouse understand that this Order does not preclude the Commission from instituting other administrative or civil proceedings based on violations that are not addressed by this Order.

1 8. Respondents understand that this Order does not preclude the Commission from
2 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
3 that may be related to the matters addressed by this Order.

4 9. Respondents understand that this Order does not preclude any other agency or officer
5 of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
6 proceedings that may be related to matters addressed by this Order.

7 10. Respondents agree that they will not apply to the state of Arizona for registration as a
8 securities dealer or salesman or for licensure as an investment adviser or investment adviser
9 representative until such time as all restitution and penalties under this Order are paid in full.

10 11. Respondents agree that until all restitution and penalties under this Order are paid in
11 full:

12 i. Respondents will not provide investment advisory services and will not exercise
13 any control over any entity that provides investment advisory services within or
14 from Arizona; and

15 ii. Respondents will not offer or sell any securities or exercise control over entity that
16 offers or sells securities within or from Arizona unless such sale is exempt under
17 A.R.S. § 44-1844(A)(20), payments from borrowers to the purchasers of such
18 securities are made to and from an escrow agent licensed with the Arizona
19 Department of Financial Institutions and the sale fully complies with all
20 registration and anti-fraud requirements of the Securities Act.

21 12. Respondent Adam Child and Respondent Spouse acknowledge that any restitution or
22 penalties imposed by this Order are obligations of the Respondents as well as Adam Child and
23 Respondent Spouse's marital community.

24 13. Respondents and Respondent Spouse consent to the entry of this Order and agree to
25 be fully bound by its terms and conditions.
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1 14. Respondents and Respondent Spouse acknowledge and understand that if they fail to
2 comply with the provisions of the order and this consent, the Commission may bring further legal
3 proceedings against Respondents and Respondent Spouse, including application to the superior court
4 for an order of contempt.

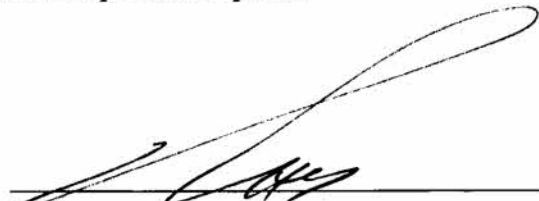
5 15. Respondents and Respondent Spouse understand that default shall render them liable
6 to the Commission for its costs of collection, including reasonable attorneys' fees and interest at the
7 maximum legal rate.

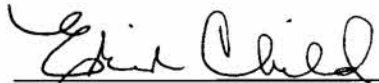
8 16. Respondents and Respondent Spouse agree and understand that if they fail to make
9 any payment as required in the Order, any outstanding balance shall be in default and shall be
10 immediately due and payable without notice or demand. Respondents and Respondent Spouse agree
11 and understand that acceptance of any partial or late payment by the Commission is not a waiver of
12 default by the Commission.

13 17. Adam Child represents that he is director and president of Real Estate Finance
14 Corporation and a member of WIN Management LLC which is the managing member of WIN
15 Opportunity Fund, LLC, and that he has been authorized by each of these entities to enter this Order
16 for and on behalf of it.

17 18. Respondents and WIN Management, LLC understand and agree that WIN
18 Management, LLC be dismissed from this action without prejudice. Adam Child represents that he
19 is a member of WIN Management and is authorized to sign on its behalf.
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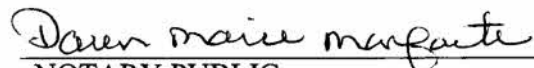
Signature page for Respondent Adam Child and Respondent Spouse


Adam W. Child, Respondent


Erin Child, Respondent Spouse

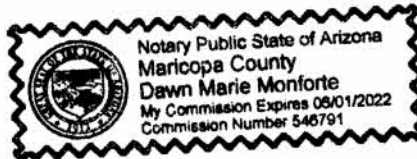
STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 22nd day of January 2019.


NOTARY PUBLIC

My commission expires:

06/01/2022



Signature page for Respondent Real Estate Finance Corporation

Real Estate Finance Corporation

By

Adam W. Child, its President

STATE OF ARIZONA)

County of Maricopa) ss

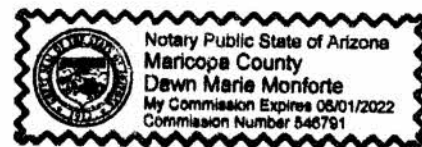
SUBSCRIBED AND SWORN TO BEFORE me this 22nd day of January 2019.

Dawn Marie Monforte

NOTARY PUBLIC

My commission expires:

06/01/2022



Signature page for Respondent WIN Opportunity Fund, LLC

WIN Opportunity Fund, LLC

By

WIN Management, LLC, its Member

By: Adam W. Child, its Member

STATE OF ARIZONA)

) ss

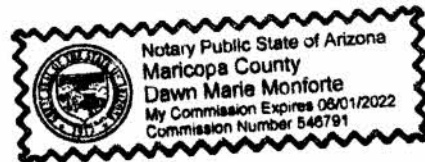
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 22nd day of January 2019.

Dawn Marie Monforte
NOTARY PUBLIC

My commission expires:

06/01/2022



1 **Signature page for WIN Management, LLC (Acknowledging being dismissed from this action)**

2
3 WIN Management, LLC

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5 By 

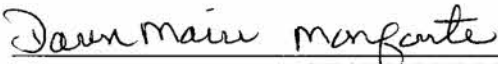
6 By: Adam W. Child, its Member

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8 STATE OF ARIZONA)

) ss

9 County of Maricopa)

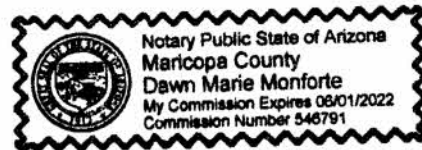
10 SUBSCRIBED AND SWORN TO BEFORE me this 22nd day of January 2019.

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12 

NOTARY PUBLIC

13 My commission expires:

14 06/01/2022



1 SERVICE LIST FOR: *Real Estate Finance Corporation, et al.*

2 Anne Chapman

3 MITCHELL | STEIN | CAREY | CHAPMAN, PC

4 One Renaissance Square

5 2 North Central Avenue, Suite 1450

6 Phoenix, AZ 85004

7 Attorneys for all Respondents

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